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UPPER CHICHESTER TOWNSHIP  
BOARD OF COMMISSIONERS  
DELAWARE COUNTY, PA

- - -

Adoption of Ordinance Number 720

- - -

Friday, February 23, 2018  
Commencing at 11:30 a.m.

- - -

Upper Chichester Township Municipal Building  
Furey Road  
Boothwyn, PA

- - -

BOARD OF COMMISSIONERS:

MICHAEL GAUDIUSO, President & 5th Ward  
JOSEPH NEARY, Vice President & 4th Ward  
EDWARD RAIKOWSKI, 1st Ward

- - -

COUNSEL APPEARED AS FOLLOWS:

HOWARD J. GALLAGHER, III, ESQUIRE  
Township Solicitor

ELIZABETH PREATE HAVEY, ESQUIRE  
Township Bond Counsel

- - -

ALSO PRESENT:

GEORGE NEEDLES  
Township Manager

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Ordinance Adoption

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P R O C E E D I N G S

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THE PRESIDENT: We will start the

5

meeting. Please stand for the Pledge of Allegiance.

6

(Pledge recited).

7

THE PRESIDENT: Thank you. Mr.

8

Needles, would you take roll call for the record,

9

please?

10

MR. NEEDLES: Howard Gallagher?

11

MR. GALLAGHER: Present.

12

MR. NEEDLES: Commissioner

13

Raikowski?

14

MR. RAIKOWSKI: Here.

15

MR. NEEDLES: Commissioner

16

Gaudiuso?

17

THE PRESIDENT: Here.

18

MR. NEEDLES: Commissioner Neary?

19

MR. NEARY: Here.

20 MR. NEEDLES: And myself, George

21 Needles, present.

22 THE PRESIDENT: Thank you. Are

23 there any citizen comments?

24 (No response).

25 THE PRESIDENT: Let the record

⬆3

1 Ordinance Adoption

2 show there are no citizen comments for today's

3 meeting. We are here to discuss the approval of a

4 Note for infrastructure projects in Upper Chichester

5 Township.

6 With that said, I will turn the

7 meeting over to Mr. Gallagher.

8 MR. GALLAGHER: Thank you,

9 Mr. President. Present here today is Elizabeth Havey

10 who is Bond Counsel for the Township. We are here to

11 adopt a Ordinance approving a General Obligation Note,

12 Series of 2018, and I will defer to Ms. Havey.

13 MS. HAVEY: Thank you. You have

14 before you an Ordinance that authorizes and directs

15 the incurring of non-electrical debt through the

16 issuance of a General Obligation Note in the amount of  
17 \$1,250,000. It's a drawdown note.

18 It's being taken out for capital  
19 projects; namely, improvements to the stormwater  
20 system, streetscape improvements along Chichester  
21 Avenue, and also to pay costs and expenses for the  
22 issuing of the note. It authorizes you to execute the  
23 necessary documents that have to be filed with DCED;  
24 namely, the required Debt Statement and Borrowing Base  
25 Certificate. It authorizes the preparation and

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1 Ordinance Adoption  
2 execution of all the documents needed to close on this  
3 Note.

4 I am not sure if Mr. Hottenstein  
5 wants to say something.

6 MR. HOTTENSTEIN: I don't think I  
7 need to. We have gone through the proposal at the  
8 last meeting. Nothing has changed since then, so I  
9 would just ask that the Ordinance be approved  
10 officially for LGUDA purposes.

11 MR. NEARY: I am just checking  
12 with George. SO you have the Borrowing Base

13 Certificate and Debt Statement?

14 MR. NEEDLES: Yes.

15 MR. NEARY: And to clarify, this  
16 would be without a prepayment penalty. Also, I just  
17 want to check under Section 10. Does this mean we  
18 have to borrow the money?

19 MR. HOTTENSTEIN: No, it's a  
20 drawdown. You don't have to. As we discussed before,  
21 you will have a minimum requirement of \$50,000 at  
22 closing, but outside of that, no.

23 MR. NEARY: In the past have we  
24 set up a Sinking Fund as opposed to just taking money  
25 out of the General Fund?

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1 Ordinance Adoption

2 MR. NEEDLES: We will get with our  
3 Auditor and have them set this up in a manner that  
4 puts us in compliance.

5 MR. NEARY: The costs are about  
6 35- to \$40,000?

7 MR. HOTTENSTEIN: It would not  
8 exceed 40.

9 MS. HAVEY: The form of the Note  
10 is attached as an exhibit to the Ordinance. It's  
11 Exhibit A. The interest rate is fixed at 3.07  
12 percent.

13 THE PRESIDENT: Is Exhibit A in  
14 the back?

15 MS. HAVEY: Yes.

16 MR. NEARY: I am trying to point  
17 out some of the things that are new to us, like the  
18 Capital Adequacy. George mentioned it to me and I  
19 just read over it.

20 MS. HAVEY: That language, many  
21 banks are adding that now. It started in the last  
22 year. That is typical language.

23 MR. HOTTENSTEIN: That is  
24 something since the tax reform that we have seen banks  
25 adding.

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1 Ordinance Adoption

2 MS. HAVEY: Since 2017 when Trump  
3 got elected.

4 MR. NEARY: What is the purpose of  
5 Exhibit B? It shows the Principal part.

6 MR. HOTTENSTEIN: That is the  
7 Maturity Schedule assuming you drew the maximum down.  
8 This would be the Maturity Schedule through 2024.

9 MR. NEARY: And Exhibit C?

10 MR. HOTTENSTEIN: Exhibit C is the  
11 Debt Service payments.

12 MR. NEARY: Thank you. That's all  
13 I have.

14 MR. RAIKOWSKI: And you said it  
15 won't exceed \$40,000?

16 MR. HOTTENSTEIN: It should not.  
17 At settlement you will have to draw a minimum of  
18 fifty, but out of that fifty, about forty are the cost  
19 of issuance, your professional fees, bond counsel,  
20 your solicitor, ourselves.

21 MR. RAIKOWSKI: George or Joe, how  
22 are we paying that bill?

23 MR. NEEDLES: It comes out of the  
24 proceedings.

25 MR. NEARY: The first draw.

↑7

2 MR. RAIKOWSKI: Thank you.

3 THE PRESIDENT: Any other  
4 questions or comments?

5 (No response).

6 THE PRESIDENT: If not, I will  
7 consider a motion and a second to pass the Ordinance.

8 MR. NEARY: So moved.

9 MR. RAIKOWSKI: Second it.

10 MR. NEEDLES: And this is  
11 Ordinance Number 720.

12 THE PRESIDENT: All in favor?

13 MR. RAIKOWSKI: Aye.

14 MR. NEARY: Aye.

15 THE PRESIDENT: Aye. Motion  
16 carried.

17 MR. GALLAGHER: Now maybe you can  
18 explain to us what the process is going forward.

19 MS. HAVEY: Yes. We are required  
20 under the Act to advertise that you are going to have  
21 this meeting and consider this Ordinance, and then  
22 afterwards I will call the Delaware County Times and  
23 tell them to publish the next legal notice which says  
24 it has been adopted. Once we get the proof that it  
25 has been published, we will file the signed Ordinance



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1                   Ordinance Adoption  
2   with the two proofs, the Debt Statement and Borrowing  
3   Base Certificate with the DCED in Harrisburg, which  
4   needs to be done by Wednesday, because they need by  
5   statute twenty days to review it.

6                   Once they review and approve it,  
7   we will close. We are expecting to close at or right  
8   before the 21st of March which is the date required by  
9   the bid. I will issue an opinion. There will be some  
10   closing documents that we will prepare and we will  
11   either sign electronically or I will come back with  
12   them and you will sign them all, and we will  
13   officially close with the bank.

14                  THE PRESIDENT: Just for the  
15   record, this meeting we are having right now was also  
16   advertised; correct?

17                  MS. HAVEY: It was properly  
18   advertised, yes.

19                  THE PRESIDENT: And there was  
20   public notice also?

21                  MS. HAVEY: Yes, and we have  
22   confirmation from the Delaware County Times of the

23 proof through an email.

24 THE PRESIDENT: Is there any new

25 business?

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1 Ordinance Adoption

2 (No response).

3 THE PRESIDENT: Since there is no

4 new business, could I have a motion to adjourn?

5 MR. NEARY: So moved.

6 MR. RAIKOWSKI: Second.

7 THE PRESIDENT: All in favor?

8 MR. RAIKOWSKI: Aye.

9 MR. NEARY: Aye.

10 THE PRESIDENT: Aye. Motion

11 carried. We are adjourned.

12 (At 11:40 a.m., proceedings were

13 concluded.)

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C E R T I F I C A T E

I hereby certify that the  
proceedings and evidence are contained fully and  
accurately in the notes taken by me in the above cause  
and that this is a correct transcript of the same.

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THOMAS P. CORCORAN,  
Court Reporter

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